National Tribal Telecommunications Association's Proposed Targeting of Federal Broadband stimulus expenditures: Assist the least connected communities in America, tribal communities, to attain Broadband and Voice-Dialtone.
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How should the monies be prioritized? .

The Economic Recovery and Reinvestment Act of 2009 recognizes with its $7.2 billion allocation of broadband funds the importance of linking rural communities to the mainstream marketplace. However, estimates are it will take $40-$200 billion to bring broadband to all rural communities. So any federal effort should be targeted efficiently. There are two competing governmental imperatives: 1) put the monies toward service strategies and service areas with the greatest population impact; or, 2) put scarce federal dollars toward regions where market forces and private investment will never reach. A corollary policy query has always been: should federal dollars ever be spent to compete against private dollars?

Tribal communities are the worst-served communities in America with regard to both Broadband and voice-dialtone service. NTTA's call for a voice dial-tone safety-net is a call to federal authorities to ensure that every rural (or urban) resident has the capacity to call 911 in emergencies. The belief that broadband funding or initiatives will raise all boats (communities without voice dial-tone) is erroneous and may further increase both the digital and the analog divide in Indian communities.

In NTTA's 2008 comments on the FCC's Further Notice of Proposed Rulemaking on Universal Service Reform, NTTA pointed out that over 70 percent of tribal communities reside in price-capped carrier territories. Thus broadband deployment incentives leveraging universal service high-cost funding reforms—only affecting rate-of-return carriers--would never effect change for the plight of Indian nations. So when the stimulus bill applies the priority of funding for broadband service emphasizing: 1) large population impact; 2)

Title II borrowers—non-price capped companies; and, 3) introducing a second broadband competitor, these priorities will largely drive funding away from the most isolated rural and tribal communities.

NTTA therefore urges the Federal Communications Commission, the Commerce Department, and the Department of Agriculture to balance the imperative to put the limited dollars in regions with the greatest populations (or most broadband infrastructure ready) with the obligation to invest in and solve the intractable barriers in the "last-mile" communities. The Stimulus funds come not a moment too soon to finally tackle the long-term needs of regions where the market has simply failed to generate investment and service to isolated and last-mile communities. (A quick shovel ready imperative also works against the reality that these "last-mile" communities require more comprehensive and patient strategies.)

NTTA believes, however, that there are immediately manageable solutions and tools that can be applied to leverage scarce stimulus broadband monies to make an impact on remote communities that lack broadband and infrastructure access.

Recommendation:

1) Target the areas of greatest need—communities without "voice Dialtone"—and where private investment will least likely occur: the "last-mile" communities. The broadband stimulus agencies should apply criteria of "high private investment market impediment", "extreme high-cost regions" and "chronic private under-investment" markets to prioritize broadband stimulus regional or local community investments.

Specific policy tools:

A. In defining "unserved" and "underserved" areas for broadband, the FCC should also define "unserved" and "underserved" infrastructure areas for voice dialtone.
The National Tribal Telecommunications Association, comprised of

the 8 tribes that have deployed their own regulatory telecommunications services, has urged Congress and the FCC to adopt a threshold definition "unserved areas" for voice infrastructure, as mandated by the Communications Act of 1934. NTTA has recommended the adoption of 15% infrastructure access disparity as a trigger for federal intervention. Broadband stimulus monies should target these "unserved areas" for priority service support.

B. Broadband funding priority should be targeted at communities lacking both infrastructure (voice dialtone) access and "broadband" services.

While nearly 80% of rural communities do not have Broadband, adding voice dial-tone underservice criteria will ensure "last-mile" communities will not fall further behind both the digital and the analog divide. NTTA has called for the Federal Government to establish a voice-dial-tone safety-net for all rural communities by combining the criteria of lack of broadband service with lack of infrastructure access. This safety-net is the right of rural citizens to be able to be able to pick up a phone and dial 911. This dialtone safety-net is a technology neutral policy imperative to connect "last-mile communities."

2) Eliminate Duplication, Use existing broadband infrastructure for broader community and regional public use

Recommendation: permit existing but restricted federal infrastructure, T-1 lines and fiber optic networks, in rural areas to be used for broadband linkage and expansion for broader community and public service use. Federal infrastructure and broadband networks are typically restricted to specific program use only. Indian Health Service, Indian Education program, Telemedicine Pilot program, distance learning grant telecommunications infrastructure cannot be used for other community needs, including economic development or public government service applications. The broadband stimulus funding should be used in conjunction with existing but restricted infrastructure for multi-use community and regional economic

development needs. The FCC's $400 million pilot rural telemedicine broadband infrastructure and funding cannot be used for broader public service network expansion or for open access applications forcing public institutions to build duplicate costly infrastructure in rural communities.

3) Funding agencies should look to the sustainability of broadband services and projects to guide stimulus funding. NTTA strongly recommends that stimulus funding be provided to broadband projects that are sustainable for the long-term benefit of tribal communities. Grant funding frequently has little benefit beyond the short-term period of the funding. Broadband systems are high-cost and maintaining and supporting these systems in extreme rural areas increase the high cost of sustainability. These factors form the high barrier of service in "unserved" and high-cost areas.

A broad weighing of sustainability should include elements such as revenues, market reach of a provider, broadband support for economic development in an area, multi-lateral commercial and governmental partnerships, additional funding sources, open-access reach of the network; adoption by anchor tenants; and local enterprise migration to proposed networks.

A constellation of sustainability elements should all be considered for funding "unserved" and "underserved" rural and tribal areas. Grants should be given with a view that they can sustain a viable broadband activity for at least 10 years.

Specifically, "sustainability" elements to be considered include:

a) Permissive use of up to 25% of grant funding for administrative costs, including funding for training; financial, accounting, engineering and management consultants; salaries for essential maintenance and service staff; licensing; regulatory processing; quality control activities; and costs to generate (diversify) commercial services to enhance the long-term sustainability of the broadband network. Typically funding authorities do not permit these operational and necessary costs as

part of a grant.

b) Inclusion of a regulatory telecommunications service deployment—through additional or separate financing--that is self-sustaining and commercially viable, particularly a regulatory eligible telecommunications service that can access Universal Service Funding should be given top priority of funding. (building an infrastructure of capillaries, arteries and vessels in a community without the heart or a pacemaker to regulate, provision or generating revenue for service, will not have a long-term impact in a rural region);

c) Look to alliance commercial or governmental partnerships that bring a cohesive or planned regional infrastructure service solution favorably over infrastructure proposals that are regionally or commercially "isolated".

d)   Either waive all matching requirements or permit liberal application of governmental resources as a matching source of funding is key to permitting sustainability of broadband network deployment in communities that are cash-strapped.

4) For long-term impact of broadband deployment, when the economies of scale make sense, fund excess matrix capacity to accommodate future service expansion and forestall near-term re-construction outlays. (After factoring in the high-cost front-end construction expenses, the difference of paying for laying 8 strands of fiber compared to costs for adding 144 strands of fiber is literally pennies on the dollar. Building infrastructure once with long-term capacity in mind is more cost effective than to rebuild the infrastructure again in the short-term future.)

5) As much as feasible, every dollar should be set aside for broadband infrastructure construction, not for end applications, e.g. IT services or computers. Experts say the cost of deploying broadband in rural America will cost between $40 billion and $200 billion!! The $6.85 billion stimulus monies will be dissipated quickly without impacting isolated rural and tribal communities if they are not carefully targeted to impact the communities where market forces will never reach.

6) Use the newly created Substantially Underserved Trust Area

RUS program initiative, created in the 2008 Farm Bill, to directly fund tribal broadband telecommunications services. The SUTA initiative is the only tribally targeted program at RUS, but is unfunded.

7) The stimulus dollars must effect the outcome of connecting previously unconnected rural communities. Metrics that show connecting broadband to communities without voice dial-tone should drive the stimulus broadband monies.

8) Metrics showing creation of jobs in high-unemployment or chronic underemployment areas should drive the efficient use of the broadband stimulus monies. Combining job creation in chronically underemployed rural areas should go hand in hand with the broadband stimulus program.

9) Metrics reflecting increase in public-safety and first-responder regional planning and deployment should drive priority of funding for broadband stimulus monies. The Recovery Act refers to public safety enhancement as an important goal of the broadband stimulus monies.

10) Regional infrastructure stimulus impact and enhanced regional infrastructure coordination should be a priority of broadband stimulus funding. Maximizing regional infrastructure and employment impact with the broadband stimulus monies should be a priority.

11) Innovation in broadband infrastructure adoption and projects demonstrating a multiplier effect of infrastructure investment should gain broadband stimulus priority funding. Proposed projects that use stimulus monies to promote innovative adoption of broadband technologies and multiplier use of stimulus funding should receive priority of support.

12) In broadband mapping, the Federal government must collect data on voice and broadband connectivity for all rural America, particularly in "unserved" and "underserved" areas. Broadband mapping should give a sense of which communities are being

connected both with regard to voice-dialtone and with regard to broadband service. This mapping should also include valuable data on cost of service(high-cost areas); cost of infrastructure deployment; numbers of overlapping voice and broadband regulatory service areas; tribal service access; and availability and take-rate of Linkup, Lifeline and E-rate eligible customers. By collecting and aggregating both voice infrastructure and broadband data, as well as data on cost and access, we can gain an accurate picture of connectivity in rural areas. We may be able to ensure that rural communities that need broadband the most—those without voice dial-tone—finally get connected with mainstream markets and communities.

13) In order to best deploy broadband service and attain connectivity, communities and tribal governments need educational, planning, technical feasibility, financial and engineering assessment funding to effectively plan for broadband deployment and to apply for appropriate resources to connect their communities. Without sufficient and necessary funding to learn about and prepare for broadband connectivity, the poorest and most remote communities will never have a chance to prepare for broadband deployment to their communities. Not knowing about or being able to assess their needs and their capacity to prepare for broadband connectivity, remote (tribal) communities will fall further behind communities connecting to mainstream networks and markets.

14) States should not determine whether and which Tribal communities are in need of rural broadband stimulus funding—the federal government should. States do not have regulatory responsibility for tribal communities. The Federal government has a statutory obligation—The Communications Act of 1934, the Rural Electrification Act of 1937—and the trust responsibility to Indian Sovereign Nations to bring connectivity and universal service for rural communities. Neither the states nor the federal government have met the universal service mandate to connect tribal communities. Indian tribes remain the worst-served and least-connected communities in the United States. Therefore, whether it occurs through the Broadband Mapping program or some other form of reporting, the Federal government needs to report on and devise a

plan on how to connect tribal communities to the mainstream network of both broadband and voice dial-tone services.

The National Tribal Telecommunications Association thanks you for the opportunity to provide guidance comments on how to prioritize and allocate the Broadband Stimulus funds.